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October 5, 2009

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Arizona Corporation Commission
Hearing Division
1200 West Washington Street
Phoenix, AZ. 85007

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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

Response to STEVE OLEA, UTILITIES DIVISION DIRECTOR'S MEMORANDUM
of September, 24 2009. DOCKET NO. W-03514A-07-0386 & DOCKET NO. W-
03514A-08-0047

I would like to address the seven points that were on the Staff's September 24, 2009 memorandum.

1. Verification of completion of the repairs and improvements made by the Company;

The Staff reports that they did in fact do a field inspection to verify BUI's reported repairs in their March 16, 2009 filing.

At this field inspection the Staff found that BUI has done the reconditioning to the system as they noted. All of the community is happy and thankful for that. However, they never did install the second 10,000 gallon storage tank as they originally said that they had. Has I have been requesting from back in 2005, there needs to be some sort of regular tests (quarterly or bi-annually) witnessed and published, with oversight of the Staff & third party to be sure of the accuracy of the reported production/output of the system.

2. The current (summer) production capacity of the Company's wells;

Here again, we can only go on what is being reported by the Staff's field inspection. Although it is better than going on the Company's data, I would still like to see a third party's analysis to confirm all findings.

3. Whether the second 10,000 gallon storage tank is needed at this time;

I would agree with the staff, that a second 10,000 storage tank should be installed at a minimum. I'm not sure that this will be adequate for much of future build-out.

4. Whether the Company currently has sufficient production and storage capacity to lift the moratorium on new connections and, if so, the number of new connections that could, in Staff's estimation, be served at existing production and storage capacity levels;

I will have to agree with the Staff based on their own findings, that if the system has the additional 10,000 gallon storage tank (35,000 total), then the moratorium should be lifted by April 30, 2010.

Arizona Corporation Commission

CLERK

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However, after the moratorium is lifted, I would like to see the Commission uphold a time frame to obtain a building permit, as Mr. Prahin and I and others were held to. But in light of the many obstacles, architectural and county delays that have to be overcome, I think that a 120 day time frame, rather than the 90 day that we were under, is more realistic for the everyday home owner to get this done. Also, I believe that any meter that does not have a home built on its site should be relinquished or be made to obtain a permit within the 120 days. Because we keep counting these meters as sets, but they do nothing for the community, county tax base or BUI.

5. Whether additional production and storage capacity would be needed at full build-out in the Company's certificated service area, and at what levels, taking into consideration the Company's claim in its August 19, 2008 Response, that not all of the lots in the Geronimo Estates and Elusive Acres development are buildable under ADEQ and County septic system rules;

First off, all 30 lots in Elusive Acres are 100% buildable, as they all average one acre in size. As for the remaining Geronimo Estates lots go, it would be fruitless to paint all of them with such a wide brush, as one would have to inspect and design a system for each lot. I for one own two lots that make up $\frac{1}{2}$ acre and I have a standard septic system on it. My neighbor to the North has a $\frac{1}{4}$ acre lot which is about 50'x300' and only about 75' of that 300' is usable because of the elevation change and he has a system on his too. With the use of the new alternative septic systems, even a quarter acres lot can be made usable, if they have a water source.

In order to serve the full build-out of the community, I would have to agree with Staff's recommended additional storage and capacity output.

6. Whether the Staff recommends any other system improvements at this time;

I would have to agree with Staff, but the Company must be made to complete the upgrades and be held to regular monitoring and inspections with reports available to all.

7. Any other information Staff deems relevant to this matter.

I would agree with Staff's concern that all of the ADEQ approvals be filed so that we know what had taken place.

In closing I'd like to say congratulations to the Staff for coming to the same conclusion that we were emoting nearly five years ago. It is truly a shame that hundreds of thousands of dollars, both publicly and privately and untold man hours have been spent over something that now has such a common sense conclusion.

Respectfully,



Jim Dunne